

Town of Hingham



Changes to Flood Insurance Rate Maps and Flood Insurance Costs Frequently Asked Questions

1. What is a floodplain?

A floodplain is an area of land where water collects, pools and flows during the course of natural events. Such areas are classified as Special Flood Hazard Areas (SFHA) and are located in a 100-year flood zone. These are areas where the National Flood Insurance Program's floodplain management regulations must be enforced and where the mandatory purchase of flood insurance applies for federally backed bank mortgages.

2. What is the National Flood Insurance Program (NFIP)?

The NFIP is a Federal program created by Congress to mitigate future flood losses nationwide through community-enforced building and zoning regulations and to provide access to federally backed flood insurance protection for property owners. The NFIP is designed to provide an insurance alternative to disaster assistance to meet the escalating costs of repairing damage to buildings and their contents caused by floods.

Participation in the NFIP is based on an agreement between local communities and the Federal Government that states that if a community will adopt and enforce a floodplain management regulation to reduce future flood risks to new construction in Special Flood Hazard Areas (SFHAs), the Federal Government will make flood insurance available within the community as a financial protection against flood losses.

3. What is a Flood Insurance Rate Map?

Flood Insurance Rate Maps or FIRMs, are used to determine the flood risk to your home or business. The low and moderate-risk zones are represented on the maps by the letter "X" or an "X" that is shaded. The inland high-risk zones will be labeled with designations such as "A", "AE", "AO" or "AH", and coastal high-risk zones that have additional risk from storm surge will be labeled "V" or "VE".

FEMA recently updated FIRMs for the Town of Hingham through its Map Modernization Project. Map Modernization efforts account for changes in water flow and drainage patterns that take place over time due to surface erosion, land use and natural forces. The new maps were formally adopted by the Town of Hingham in 2012 and replace the previous 1986 maps in their entirety.

4. How do I determine if my property is located in a floodplain or SFHA?

To view the current FIRMs for the Town of Hingham please visit: http://www.hingham-ma.gov/conservation/flood_plain.html. You may also view the 1986 maps at this address to see whether your property's SFHA designation changed with adoption of the updated FIRMs.

In addition to the FEMA Maps, the Town of Hingham created a color-coded alternative map showing the SFHAs. This "Zoning Map - Part B Flood Plain and Watershed Protection District" map shows individual parcels so it may be easier to locate your property. You can find this map online at http://www.hingham-ma.gov/document/Hingham-Zoning_B.pdf.

Hard copies of the FIRMs and the Town's Floodplain Maps are available for viewing in the Conservation Department in Town Hall. You are welcome to schedule an appointment with Conservation staff to review your property by calling: 781-741-1445.

5. What is my home or business mapped into a high-risk area but I believe the designation is incorrect?

FEMA has two administrative procedures available to change effective FIRMs based on new or revised technical or scientific data.

1. Letters of Map Amendments (LOMAs)

A LOMA is a letter that officially revises an effective FEMA NFIP map. A LOMA results from an administrative procedure involving the review of scientific or technical data submitted by the owner or lessee of property who believes the property has incorrectly been included in a designated SFHA or has been incorrectly identified in the wrong SFHA. A LOMA amends the currently effective FEMA map and establishes that a specific property is not located in the SFHA or is located within the correct SFHA.

2. Letters of Map Revisions (LOMRs)

An LOMR is a letter that officially revises the currently effective FEMA map. It is used to change flood zones, floodplain and floodway delineations, flood elevations, and planimetric features. All requests for LOMRs should be made to FEMA through the chief executive officer of the community, since it is the community that must adopt any changes and revisions to the map. If the request for an LOMR is not submitted through the chief executive officer of the community, evidence must be submitted that the community has been notified of the request.

6. How will the new flood hazard maps affect me?

The new maps became effective in July 2012. If your structure was mapped into a high-risk area and you have a mortgage with a federally-regulated lender, you will need to purchase flood insurance. If your property was mapped into a low- or moderate-risk area, you are not required to purchase or maintain insurance, but are encouraged to do so.

7. What is the Biggert Waters Flood Insurance Reform Act of 2012 (BW-12)?

This Reform Act initiated changes to the National Flood Insurance Program (NFIP) to make the program more fiscally sound by setting flood insurance rates that reflect the real risk of flooding and move toward

the elimination of subsidies. Subsidized properties are those with structures built prior to the first Flood Insurance Rate Map (pre-FIRM properties) that have not been substantially damaged or improved.

Not every policy will be affected immediately by this new law and some properties will remain subsidized unless or until the property is sold or the policy lapses. For example, starting January 1, 2013, homeowners with subsidized insurance rates for non-primary residences (reside there less than 80% of the time), are subject to a 25% annual increase until premiums reflect full risk rates. In October 1, 2013 owners of business properties with subsidized premiums will be subject to the same 25% increases until full actuary rates are reached. This Reform Act also calls for a five year phasing out of grandfathering of insurance policies. The date to start the phasing out of grandfathering has not been set, but appears to be late 2014. Refer to the Biggert-Waters Timeline Table prepared by FEMA for further information, found at http://www.fema.gov/media-library-data/20130726-1912-25045-8239/bw_timeline_table_04172013.pdf.

The ultimate result of this reform act will be significantly higher flood insurance rates, which may create a financial hardship for some property owners. All buildings in SFHAs with federally backed bank mortgages will be required to purchase flood insurance, which may be cost prohibitive for some and may impact the ability to sell properties.

New Legislation: H.R. 2199 – Flood Insurance Implementation Reform Act of 2013 is proposed legislation that would essentially delay implementation of some of the Biggert Waters provisions, such as the phasing in of rate increases and the requirement that new home buyers be charged full actuarial rates. Hopefully, this will give FEMA and Congress time to evaluate the affordability of Biggert Waters and get a better understanding of actual flood insurance rates.

8. How can I reduce my flood insurance costs and/or my risk of flooding?

A number of factors are considered in determining the premium for flood insurance coverage. They include the amount of coverage purchased; the deductible amount selected; the flood zone; location; age of the building; building occupancy; and design of the building (foundation type). For buildings in SFHAs built after the community entered the flood program (Post-FIRM), the elevation of the building in relation to the Base Flood Elevation (BFE) is also a factor in determining the premium.

There are certain activities you can undertake to reduce your flood insurance premiums or your actual risk of flooding.

Base Flood Elevations (BFE):

The elevation of any structure in relation to the Base Flood Elevation (BFE) will play a significant role in determining flood insurance rates. An Elevation Certificate prepared by a licensed engineer or surveyor may result in cost savings on flood insurance. Residents are encouraged to contact their insurance agent for additional information.

Home Modifications:

Modifying buildings to make them more flood resistant will likely decrease flood insurance rates in the long term. Some modifications that may reduce rates include: elevating a building above the BFE; moving mechanical equipment out of basements or crawl spaces that are below the BFE; adding vents in basements/crawl spaces to allow flood waters to equalize; and detaching garages or decks that are located in the SFHA. You are welcome to contact the Building Commissioner, Michael Clancy, for additional information on these potential modifications by calling 781-741-1420.

9. Is there any way to obtain a community-wide discount on the cost of flood insurance premiums?

The NFIP **Community Rating System (CRS)** was implemented in 1990 as a voluntary program for recognizing and encouraging community floodplain management activities exceeding the minimum NFIP standards. Any community in full compliance with the minimum NFIP floodplain management requirements may apply to join the CRS. When these communities join, their policyholders may receive a discount on flood insurance premiums.

Communities that join the CRS receive a rating according to a point system devised to reflect the level of safety provided through the floodplain management activities they implement. The discount on their annual flood insurance premiums can range from 5% to as much as 45%, based on the community's CRS rating. There are presently 12 communities in Massachusetts that qualify for a CRS discount of between 5% and 10%.

The Town of Hingham could likewise consider joining the CRS if it is able to commit additional efforts to cataloging current and developing new initiatives to (1) reduce flood damage to insurable property; (2) strengthen and support the insurance aspects of the NFIP; and (3) encourage a comprehensive approach to floodplain management. These efforts could require significant resources, particularly in terms of staff time, but will likely result in a discount for property owners purchasing flood insurance.

Please see the following document from FEMA for additional information on the Community Rating System Program.

Joining the Community Rating System

What it is: The Community Rating System (CRS) is a program administered by the Federal Emergency Management Agency. It provides lower insurance premiums under the National Flood Insurance Program. The premium reduction is in the form of a CRS Class, similar to the classifications used for fire insurance. A Class 1 provides a 45% premium reduction. A Class 10 provides no reduction.

The CRS Class is based on the floodplain management activities a community implements. In many cases, these are activities already implemented by the community, the state, or a regional agency. The more activities implemented, the better the CRS class.

Benefits:

- Money stays in your community instead of being spent on insurance premiums.
- Every time residents pay their insurance premiums, they are reminded that the community is working to protect them from flood losses, even during dry years.
- The activities credited by the CRS provide direct benefits to the community, including:
 - Enhanced public safety,
 - Reduction in damage to property and public infrastructure,
 - Avoidance of economic disruption and losses,
 - Reduction of human suffering, and
 - Protection of the environment.
- Local flood programs will be better organized and more formal.
- The community can evaluate the effectiveness of its flood program against a nationally recognized benchmark.
- Technical assistance in designing and implementing some activities is available at no charge.
- The community will have an added incentive to maintain its flood programs over the years.
- The public information activities will build a knowledgeable constituency interested in supporting and improving flood protection measures.

Cost to the local government:

- The community must have a successful Community Assistance Visit.
- The community must designate a CRS Coordinator who prepares the application papers and works with FEMA and the Insurance Services Office (ISO) during the verification visit.
- Each year the community must recertify that it is continuing to implement its activities. It must provide copies of relevant materials (e.g., permit records).
- The community must maintain elevation certificates, permit records, and old Flood Insurance Rate Maps forever.
- The community must maintain other records of its activities for five years, or until the next ISO verification visit, whichever comes sooner.